

HOUSE BILL 1270

By Holt

AN ACT to amend Tennessee Code Annotated, Title 4;
Title 5; Title 6; Title 7 and Title 9, relative to federal
funds.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 9, Chapter 1, is amended by adding the
following as a new section:

(a) For purposes of this section:

(1) "Designated state agency" means:

- (A) Department of agriculture;
- (B) Department of financial institutions;
- (C) Department of environment and conservation;
- (D) Department of correction;
- (E) Department of economic and community development;
- (F) Department of education;
- (G) Board of trustees of the University of Tennessee;
- (H) Board of regents of the state university and community
college system;
- (I) Local governing boards of trustees of state universities;
- (J) Department of general services;
- (K) Department of human services;
- (L) Department of commerce and insurance;
- (M) Department of labor and workforce development;
- (N) Department of mental health and substance abuse services;

- (O) Department of human resources;
- (P) Department of health;
- (Q) Department of revenue;
- (R) Department of safety;
- (S) Department of tourist development;
- (T) Department of transportation;
- (U) Department of the treasury;
- (V) Department of veterans services; and
- (W) The military department;

(2) "Federal receipts" means the federal financial assistance, as defined in 31 U.S.C. § 7501, that is reported as part of a single audit;

(3) "Political subdivision" means any local governmental entity, including, but not limited to, any municipality, metropolitan government, county, utility district, school district, public building authority, and development district created and existing pursuant to the laws of this state, or any instrumentality of government created by any one (1) or more of the named local governmental entities; and

(4) "Single audit" has the same meaning as defined in 31 U.S.C. § 7501.

(b) Subject to subsections (c) and (d), a designated state agency shall each year, on or before October 31, prepare a report that:

(1) Reports the aggregate value of federal receipts the designated state agency received for the preceding fiscal year;

(2) Reports the aggregate amount of federal funds appropriated by the general assembly to the designated state agency for the preceding fiscal year;

(3) Calculates the percentage of the designated state agency's total budget for the preceding fiscal year that constitutes federal receipts that the designated state agency received for that fiscal year; and

(4) Develops plans for operating the designated state agency if there is a reduction of:

(A) Five percent (5%) in the federal receipts that the designated state agency receives;

(B) Twenty-five percent (25%) in the federal receipts that the designated state agency receives; and

(C) One hundred percent (100%) in the federal receipts that the designated state agency receives.

(c) The report required by subsection (b) that the department of education prepares must include the information required by subdivisions (b)(1)-(3) for each school district, including special school districts, and each charter school within the public education system.

(d) Each designated state agency that prepares a report in accordance with subsection (b) shall submit the report to the department of finance and administration on or before November 1 of each year.

(e)

(1) The department of finance and administration shall, on or before November 30 of each year, prepare a report that:

(A) Compiles and summarizes the reports the department of finance and administration receives in accordance with subsection (d); and

(B) Compares the aggregate value of federal receipts each designated state agency received for the previous fiscal year to the aggregate amount of federal funds appropriated by the general assembly to that designated state agency for that fiscal year.

(2) The department of finance and administration shall, as part of the report required by subdivision (e)(1), compile a list of designated state agencies that do not submit a report as required by this section.

(f) The department of finance and administration shall submit the report required by subsection (e) to the chairs of the finance, ways and means committees of the house of representatives and the senate on or before January 15 of each year.

(g) A political subdivision that, during a fiscal year of the political subdivision, receives federal funds or federal receipts that comprise ten percent (10%) or more of the political subdivision's annual budget shall, before the beginning of the next fiscal year:

(1) Develop a contingency plan explaining how the political subdivision will operate in the event that the total amount of federal receipts that it receives are reduced by:

(A) Five percent (5%) in the next fiscal year;

(B) Twenty-five percent (25%) in the next fiscal year; and

(C) One hundred percent (100%) in the next fiscal year;

(2) Submit a copy of the contingency plan to the state comptroller; and

(3) Publish the contingency plan on the political subdivision's website, if the political subdivision maintains a website.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.